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6-76 30068~~SECRET~~**Intelligence Information Cable**FURTHER DISSEMINATION AND USE OF THIS INFORMATION SUBJECT TO
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PAGE 001 OF 004STATE/DIR FBI SDO (HARD COPIES TO:
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REPORT CLASS ~~S E C R E T~~ WMINTEL NOFORN=NOCONTRACT=ORCON

EXCLUSIVE DISSEMINATION TO ADDRESSEES LISTED IN FINAL PARAGRAPH

"EXCLUSIVE FOR" DOCUMENTCITE [REDACTED]
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COUNTRY: VENEZUELA

SUBJECT: STATUS OF THE INVESTIGATION OF THE KIDNAPPING OF
WILLIAM F. NIEHOUS [REDACTED]

SOURCE: [REDACTED]

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1. DESPITE REITERATED PRESIDENTIAL INTEREST IN RESOLVING THE CASE OF KIDNAPPED UNITED STATES BUSINESSMAN WILLIAM F. NIEHOUS, NO PROGRESS HAS BEEN MADE. IN FACT, THE SPECIAL OFFICE ESTABLISHED IN MAY 1978 IN THE MINISTRY OF INTERIOR CHARGED WITH PURSUING THE INVESTIGATION OF THE CASE IS NOT YET OPERATIONAL. [REDACTED] COMMENT: FOR AN EARLIER REPORT ON THIS OFFICE AND THE STATUS OF THE CASE, SEE [REDACTED]

[REDACTED]

[REDACTED]

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2. THE PRIMARY DIFFICULTY IS THAT THIS SPECIAL OFFICE HAS NOT YET RECEIVED ITS BUDGET APPROPRIATION FROM THE MINISTRY OF INTERIOR. IN EARLY JULY RAFAEL R I V A S

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VASQUEZ, DEPUTY CHIEF OF THE DIRECTORATE FOR THE SERVICES OF INTELLIGENCE AND PREVENTION (DISIP) WHO HEADS THIS SPECIAL OFFICE, DISCUSSED THE SITUATION WITH PRESIDENT CARLOS ANDRES PEREZ. THE PRESIDENT, IN TURN, DIRECTLY ORDERED OCTAVIO LEPAGE, WHO WAS AT THAT TIME MINISTER OF INTERIOR, TO RELEASE THE NEEDED FUNDS IMMEDIATELY. AS OF LATE AUGUST, HOWEVER, THIS HAD NOT BEEN DONE AND LEPAGE, WHO RECENTLY RESIGNED TO PARTICIPATE IN THE DECEMBER ELECTIONS, HAS BEEN REPLACED.

3. WHILE SOME DISIP OFFICERS HAVE BEEN ASSIGNED TO THIS SPECIAL OFFICE, THE GROUP HAS NO OPERATIONAL FUNDS AND HAS BEEN UNABLE TO OBTAIN EVEN THE MOST BASIC OFFICE SUPPLIES. ALSO, IT HAS NOT BEEN IN A POSITION TO IMPLEMENT ITS PLANS TO RECONTACT INFORMANTS AND TO SURVEIL SUSPECTS IN THE CASE SINCE IT HAS NO FUNDS WITH WHICH TO PAY EITHER INFORMANTS OR SURVEILLANTS.

4. THE GROUP, THEREFORE, HAS CONFINED ITS EFFORTS TO REVIEWING SOME OLD MATERIAL. ALSO, THE DIRECTORATE OF MILITARY INTELLIGENCE (DIM) HAS BEEN HELPFUL IN PROVIDING THE GROUP WITH THE NAMES OF ALL INDIVIDUALS VISITING IMPRISONED SUSPECTS IN THE NEIHUS CASE. INFORMATION CONCERNING THESE INDIVIDUALS IS BEING COMPILED WHICH IS EXPECTED TO AID IN THE INVESTIGATION WHENEVER FUNDS ARE RELEASED.

5. IN ITS PURSUIT OF REVIEWING OLD INFORMATION WHICH IT FEELS MAY BE USEFUL, THE GROUP HAS TRIED TO OBTAIN MATERIAL

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CONFISCATED UPON THE ARREST OF JORGE R O D R I G U E Z
 AND TRANSCRIPTS OF ANY STATEMENTS MADE BY HIM. HOWEVER, ALL
 ATTEMPTS TO LOCATE THIS INFORMATION HAVE BEEN UNSUCCESSFUL
 AS THE MATERIAL APPEARS TO HAVE DISAPPEARED FROM DISIP FILES.

[REDACTED] COMMENT: RODRIGUEZ, A LEADER OF THE SOCIALIST LEAGUE,
 WAS ARRESTED IN JULY 1976 AS A SUSPECT IN THE NIEHOUS CASE.
 RODRIGUEZ WAS FOUND IN HIS CELL BEATEN TO DEATH. TWO DISIP
 OFFICERS HAVE BEEN ACCUSED OF BEING RESPONSIBLE FOR RODRIGUEZ'
 DEATH; HOWEVER, [REDACTED]

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[REDACTED] MOST DISIP OFFICERS BELIEVE THAT THE TWO MEN
 ARE NOT GUILTY AND AGREED TO ACCEPT RESPONSIBILITY FOR
 THE CRIME IN RETURN FOR A LARGE SUM OF MONEY AND EARLY RELEASE
 FROM PRISON.)

6. [REDACTED]

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7. [REDACTED]

(b)(1)

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8. WASHINGTON DISSEM.

TO STATE EXCLUSIVE FOR THE DIRECTOR, INR
 TO FBI EXCLUSIVE FOR THE ASSISTANT DIRECTOR,
 INTELLIGENCE DIVISION

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